

AMENDED IN ASSEMBLY SEPTEMBER 12, 2003

AMENDED IN ASSEMBLY SEPTEMBER 9, 2003

SENATE BILL

No. 1056

Introduced by Senator Alarcon

February 27, 2003

An act to add Sections 20035.9-~~and~~, 22825.12, *and* 22825.19 to the Government Code, relating to state employees, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1056, as amended, Alarcon. State employees: memorandum of understanding.

(1) Existing law provides that if any provision of a memorandum of understanding reached between the state employer and a recognized employee organization representing state civil service employees requires the expenditure of funds, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature in the annual Budget Act.

This bill would approve provisions that require the expenditure of funds of memoranda of understanding entered into between the state employer and State Bargaining Units 1, ~~2, 3~~, 4, ~~6, 7, 9~~, 10, 11, ~~12, 13~~, 14, 15, ~~16~~, 17, ~~18, 19~~, 20, and 21, and would provide that the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

This bill would provide that provisions of the memoranda of understanding approved by this bill that require the expenditure of

funds shall not take effect unless funds for these provisions are specifically appropriated by the Legislature, and would provide that if funds for these provisions are not specifically appropriated by the Legislature, the state employer, and the affected employee organization shall meet and confer to renegotiate the affected provisions.

(2) The Public Employees' Retirement Law defines "final compensation," for purposes of calculating retirement benefits, as the highest annual average compensation earnable by the member during a designated 12-month period.

Under this bill, the calculation of "final compensation" for a member in State Bargaining Unit 1, ~~2, 3, 4, 6, 7, 9,~~ 10, 11, ~~12, 13,~~ 14, 15, 16, 17, ~~18,~~ 19, 20, or 21 would include the compensation the member would have earned effective July 1, 2003, if a specified 5% reduction had not occurred.

(3) The Public Employees' Hospital and Medical Care Act provides that the employer's contributions for health benefits for represented state employees shall be determined through the collective bargaining process subject to funding in the annual Budget Act.

Under this bill, from January 1, 2004, to December 31, 2005, inclusive, the employer's contribution for health benefits for employees in State Bargaining Units 16 and 19 would be 80% of the weighted average for health benefits plan premiums for active state civil service employees enrolled for self-alone plus 80% of the weighted average for additional premiums for family members. Thereafter, the employer's contribution for those employees would be 85% of that weighted average for self-alone plus 80% of that weighted average for family members.

Under this bill, effective January 1, 2004, the employer's contribution for health benefits for employees in State Bargaining Units 1, ~~2, 3, 4, 6, 7, 9,~~ 10, 11, ~~12, 13,~~ 14, 15, 17, ~~18,~~ 20, and 21 would be 80% of the weighted average for health benefits plan premiums for active state civil service employees enrolled for self alone plus 80% of the weighted average for additional premiums for family members.

(4) The bill would also declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares that the
2 purpose of this act is to approve agreements pursuant to Section
3 3517 of the Government Code entered into by the state employer
4 and recognized employee organizations.

5 SEC. 2. The provisions of the memoranda of understanding
6 prepared pursuant to Section 3517.5 of the Government Code and
7 entered into by the state employer and the following employee
8 organizations, and that require the expenditure of funds, are
9 hereby approved for the purposes of Section 3517.6 of the
10 Government Code:

11 (a) State Bargaining Unit 1, the California State Employees
12 Association.

13 ~~(b) State Bargaining Unit 2, the California Attorneys,~~
14 ~~Administrative Law Judges and Hearing Officers in State~~
15 ~~Employment.~~

16 ~~(c) State Bargaining Unit 3, the California State Employees~~
17 ~~Association.~~

18 ~~(d)–~~

19 (b) State Bargaining Unit 4, the California State Employees
20 Association.

21 ~~(e) State Bargaining Unit 6, the California Correctional Peace~~
22 ~~Officers Association.~~

23 ~~(f) State Bargaining Unit 7, the California Union of Safety~~
24 ~~Employees.~~

25 ~~(g) State Bargaining Unit 9, the Professional Engineers in~~
26 ~~California Government.~~

27 ~~(h)–~~

28 (c) State Bargaining Unit 10, the California Association of
29 Professional Scientists.

30 ~~(i)–~~

31 (d) State Bargaining Unit 11, the California State Employees
32 Association.

33 ~~(j) State Bargaining Unit 12, the International Union of~~
34 ~~Operating Engineers.~~

35 ~~(k) State Bargaining Unit 13, the International Union of~~
36 ~~Operating Engineers.~~

37 ~~(l)–~~

1 (e) State Bargaining Unit 14, the California State Employees
2 Association.

3 ~~(m)~~

4 (f) State Bargaining Unit 15, the California State Employees
5 Association.

6 ~~(n)~~

7 (g) *State Bargaining Unit 16, Union of American Physicians*
8 *and Dentists.*

9 (h) State Bargaining Unit, 17, the California State Employees
10 Association.

11 ~~(o) State Bargaining Unit 18, the California Association of~~
12 ~~Psychiatric Technicians.~~

13 ~~(p)~~

14 (i) *State Bargaining Unit 19, American Federation of State,*
15 *County and Municipal Employees.*

16 (j) State Bargaining Unit 20, the California State Employees
17 Association.

18 ~~(q)~~

19 (k) State Bargaining Unit 21, the California State Employees
20 Association.

21 SEC. 3. The provisions of the memoranda of understanding
22 approved by Section 2 of this act that are scheduled to take effect
23 on or after July 1, 2003, and that require the expenditure of funds,
24 shall not take effect unless funds for these provisions are
25 specifically appropriated by the Legislature. If funds for these
26 provisions are not specifically appropriated by the Legislature, the
27 state employer and the affected employee organization shall meet
28 and confer to renegotiate the affected provisions.

29 SEC. 4. Notwithstanding Section 3517.6 of the Government
30 Code, the provisions of any memorandum of understanding that
31 require the expenditure of funds shall become effective even if the
32 provisions of the memorandum of understanding are approved by
33 the Legislature in legislation other than the annual Budget Act.

34 SEC. 5. Section 20035.9 is added to the Government Code, to
35 read:

36 20035.9. (a) Notwithstanding Sections 20035 and 20037,
37 “final compensation” for the purpose of determining any pension
38 or benefit with respect to a state miscellaneous member (1) who
39 retires or dies on or after July 1, 2003, (2) who was a member of
40 a state bargaining unit listed in subdivision (b), and (3) whose

1 monthly salary range that was to be effective July 1, 2003, was
 2 reduced by 5 percent pursuant to a memorandum of understanding
 3 entered into during the 2003–04 fiscal year, means the highest
 4 annual compensation the member would have earned as of July 1,
 5 2003, if that 5 percent reduction had not occurred. This section
 6 shall apply only if the period during which the member’s salary
 7 was reduced would have otherwise been included in determining
 8 his or her final compensation. The increased costs, if any, that may
 9 result from the application of the definition of “final
 10 compensation” provided in this section shall be paid by the
 11 employer in the same manner as other retirement benefits are
 12 funded.

13 (b) The section shall apply with respect to members in State
 14 ~~Bargaining Units 1, 2, 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 17, 18,~~
 15 *Bargaining Units 1, 4, 10, 11, 14, 15, 16, 17, 19, 20, and 21.*

16 SEC. 6. *Section 22825.12 is added to the Government Code,*
 17 *to read:*

18 22825.12. (a) *Notwithstanding Section 22825.1, subdivision*
 19 *(b) of Section 22825.15, or any other provision of this article, the*
 20 *employer’s contribution with respect to employees in State*
 21 *Bargaining Unit 16 and State Bargaining Unit 19 shall be as*
 22 *described in paragraphs (1) and (2). To be eligible for this*
 23 *contribution, the employee must be enrolled in an approved health*
 24 *benefits plan.*

25 (1) *From January 1, 2004, to December 31, 2005, inclusive, the*
 26 *employer’s contribution for each employee shall be an amount*
 27 *equal to 80 percent of the weighted average of the basic health*
 28 *benefits plan premium for an active state civil service employee*
 29 *enrolled for self-alone, during the benefit year to which the*
 30 *formula is applied, for the four basic health benefits plans that had*
 31 *the largest active state civil service enrollment, excluding family*
 32 *members, during the previous benefit year. For each employee with*
 33 *enrolled family members, the employer shall contribute an*
 34 *additional 80 percent of the weighted average of the additional*
 35 *premiums required for enrollment of those family members, during*
 36 *the benefit year to which the formula is applied, in the four basic*
 37 *health benefits plans that had the largest active state civil service*
 38 *enrollment, excluding family members, during the previous benefit*
 39 *year.*

(2) From and after January 1, 2006, the employer's contribution for each employee shall be an amount equal to 85 percent of the weighted average of the basic health benefits plan premium for an active state civil service employee enrolled for self-alone, during the benefit year to which the formula is applied, for the four basic health benefits plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefits plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(b) The employer is not obligated to make a contribution under this section for any employee unless and until the effective date of the employee's enrollment in an approved health benefits plan.

(c) The contribution of each employee and annuitant under this section shall be the total cost per month of the benefit coverage afforded him or her under the plan or plans less the portion thereof to be contributed by the employer.

(d) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, the provisions may not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 7. Section 22825.19 is added to the Government Code, to read:

22825.19. (a) Notwithstanding Section 22825.1, subdivision (b) of Section 22825.15, or any other provision of this article, the employer's contribution with respect to employees in the following state bargaining units shall be as described in subdivision (b): ~~State Bargaining Units 1, 2, 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 17, 18, State Bargaining Units 1, 4, 10, 11, 14, 15, 17, 20, and 21.~~ To be eligible for this contribution, the employee must be enrolled in an approved health benefits plan.

(b) Effective January 1, 2004, the employer's contribution for each employee shall be an amount equal to 80 percent of the weighted average of the basic health benefits plan premium for an active state civil service employee enrolled for self alone, during the benefit year to which the formula is applied, for the four basic health benefits plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year. For each employee with enrolled family members, the employer shall contribute an additional 80 percent of the weighted average of the additional premiums required for enrollment of those family members, during the benefit year to which the formula is applied, in the four basic health benefits plans that had the largest active state civil service enrollment, excluding family members, during the previous benefit year.

(c) The employer is not obligated to make a contribution under this section for any employee unless and until the effective date of the employee's enrollment in an approved health benefits plan.

(d) The contribution of each employee and annuitant under this section shall be the total cost per month of the benefit coverage afforded him or her under the plan or plans less the portion thereof to be contributed by the employer.

(e) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 or Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, the memorandum of understanding shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, the provisions may not become effective unless approved by the Legislature in the annual Budget Act.

~~SEC. 7.—~~

SEC. 8. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 2003–04 fiscal year, and thereby facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

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